

A decorative vertical bar on the left side of the page, featuring a teal background with two thin vertical lines (one gold, one white). At the bottom of this bar are three overlapping squares: a light gold one on top, a medium gold one to its right, and a teal one below the gold ones. In the top right corner, there is a cluster of four overlapping squares: a teal one at the top right, a light gold one to its left, a medium gold one to the left of the light gold one, and a larger light gold one at the bottom right.

# *Select Committee on Pension Policy*

*Orientation Manual*

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# Select Committee on Pension Policy

- ◆ **Directory of Members**
- ◆ **Rules of Procedure**
- ◆ **Review of SCPP Enabling Legislation**
- ◆ **Excerpts from Washington Revised Code**

# Select Committee on Pension Policy - 2005

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# Select Committee on Pension Policy

## Rules of Procedure

*(May 10, 2005)*

RULE 1. Membership. The Committee shall consist of 20 members: two from each caucus of the legislature, four active members or representatives of active members of the state retirement systems, two retired members or representatives of retired members of the state retirement systems, four employer representatives, and the Directors of the Department of Retirement Systems and the Office of Financial Management.

The Directors of the Department of Retirement Systems and the Office of Financial Management may appoint alternates from their respective agencies for membership on the SCPP.

RULE 2. Meetings. The Select Committee on Pension Policy (SCPP) will typically meet once each month during the Legislative Interim. Additional meetings may be called by the Chair of the SCPP or Executive Committee as deemed necessary.

RULE 3. Rules of Order. All meetings of the SCPP, its Executive Committee, or any subcommittee created by the SCPP shall be governed by Reed's Parliamentary Rules, except as specified by applicable law or these Rules of Procedure.

RULE 4. Quorum. A majority of the 20 committee members shall constitute a quorum of the Full Committee (11 members). A majority of the members appointed to a subcommittee shall constitute a quorum of the subcommittee.

RULE 5. Voting. A majority of the 20 committee members must vote in the affirmative for an official action of the SCPP to be valid (11 members); a majority of those committee members present must vote in the affirmative on procedural matters (at least 6 members), unless provided otherwise in statute or these Rules of Procedure. A majority of the members appointed to a subcommittee must vote in the affirmative for an official action of a subcommittee to be valid; a majority of those subcommittee members present must vote in the affirmative on procedural matters, unless provided otherwise in statute or these Rules of Procedure.

RULE 6. Minutes. Minutes summarizing the proceedings of each SCPP meeting and subcommittee shall be kept. These minutes will include member attendance, official actions taken at each meeting, and persons testifying.

RULE 7. SCPP Chair, Vice Chair, Executive Committee and Subcommittees. An Executive Committee shall be established and shall include six members. Reorganization elections shall take place at the first meeting of the year as follows: First the Chair shall be elected and then the Vice Chair shall be elected. The Chair shall be a member of the Senate in even-numbered years and a member of the House of Representatives in odd-numbered years. The Vice Chair shall be a member of the House in even-numbered years and a member of the Senate in odd-numbered years.

Three members of the Executive Committee shall then be elected, one member representing active members, one member representing employers, and one member representing retirees. In addition, the Director of the Department of Retirement Systems shall serve on the Executive Committee.

Executive Committee members may designate an alternate to attend Executive Committee meetings in the event they cannot attend. Alternates shall be members of the SCPP who represent the same member group as the elected Executive Committee member.

Subcommittees of the SCPP may be formed upon recommendation of the Executive Committee. The creation of the subcommittee and appointment of members shall be voted on by the full SCPP.

RULE 8. Duties of Officers.

- A. The Chair shall preside at all meetings of the SCPP and Executive Committee, except that the Vice Chair shall preside when the Chair is not present. In their absence, an Executive Committee member may preside.
- B. The State Actuary shall prepare and maintain a record of the proceedings of all meetings of the SCPP Committee, Executive Committee, and SCPP Subcommittees.
- C. The Executive Committee shall perform all duties assigned to it by these Rules of Procedure, such other duties delegated to it by the SCPP, and shall set meeting agendas and recommend actions to be taken by the SCPP.
- D. A recommendation to refer an issue to the Assistant Attorney General will be approved by the Chair or by a majority vote of the Executive Committee. The Chair or the Committee will consider priorities of the SCPP of all legal issues and budget constraints in making this decision.

Advice from the Attorney General's Office to the Chair or the Committee may be subject to the attorney client privilege. When subject to the privilege, Committee members are advised to maintain the advice as confidential. The privilege may be waived only by vote of the Committee.

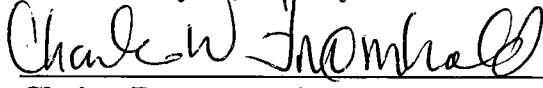
- E. The State Actuary may refer requests for information or services by Select Committee on Pension Policy members that are directly related to current Committee projects or proposals and/or require a significant use of OSA resources to either the Chair of the SCPP or the Executive Committee. Such requests will be approved by either the Chair or by a majority vote of the Executive Committee prior to initiation and completion by the OSA. The Executive Committee will consider priorities of all current OSA projects and budget constraints in making this decision.
- F. The State Actuary shall submit the following to the Executive Committee and the full SCPP for approval: the biennial budget submission for the OSA, and any personal services contract of \$20,000 or more that is not described in the biennial budget submission.
- G. The Chair and Vice Chair shall appoint four members of the SCPP to serve on the State Actuary Appointment Committee. At least one member shall represent state retirement systems' active or retired members, and one member shall represent state retirement system employers. The Chair and Vice Chair may designate an alternate for each appointee from the same category of membership.


RULE 9. Expenses. Legislators' travel expenses shall be paid by the member's legislative body; state employees' expenses shall be paid by their employing agency; other SCPP members' travel expenses shall be reimbursed by the Office of the State Actuary in accordance with RCW 43.03.050 and 43.03.060.

RULE 10. Staff. The OSA shall provide staff and technical assistance to the Committee. The State Actuary has the statutory authority to select and employ such research, technical, clerical personnel, and consultants as the State Actuary deems necessary. The State Actuary shall inform the Executive Committee of final personnel actions. Any employee terminated by the State Actuary shall have the right of appeal to the Executive Committee. The State Actuary has also implemented a grievance procedure within the OSA. Any employee who has followed the OSA grievance process and disagrees with the outcome may appeal to the Chair or Vice Chair for action by the Executive Committee.

**Effective Date July 24, 2005.**

**Revised July 21, 2005 by the Select Committee on Pension Policy.**

  
**Chair – Representative**

  
**Vice-Chair – Senator**

## Review of SCPP Enabling Legislation (Ch. 295, Laws of 03)

Members	<ul style="list-style-type: none"> <li>• 4 Senate members<sup>1</sup></li> <li>• 4 House members<sup>2</sup></li> <li>• 4 Active members or representatives</li> <li>• 2 Retirees or representatives</li> <li>• 4 Employer representatives</li> <li>• Directors of DRS &amp; OFM</li> </ul>
Organization	<p><i>Chair:</i> Senate member in even numbered years, House member in odd numbered years</p> <p><i>Vice Chair:</i> House member in even numbered years, Senate member in odd numbered years</p> <p><i>Executive Committee:</i></p> <ul style="list-style-type: none"> <li>• Chair</li> <li>• Vice-Chair</li> <li>• Active member representative</li> <li>• Retiree member representative [2005 c 24 § 1]</li> <li>• Employer representative</li> <li>• Director of DRS [2005 c 24 § 1]</li> </ul> <p><i>Possible Subcommittees:</i></p> <ul style="list-style-type: none"> <li>• Public Safety</li> <li>• Education</li> <li>• State and Local Government</li> </ul>
Duties	<ul style="list-style-type: none"> <li>• Study pension issues and develop pension policies</li> <li>• Study financial conditions of state pension systems and develop funding policies</li> <li>• Make recommendations to the legislature</li> </ul>
Other	<p><i>State Actuary Appointment Committee:</i> Appoint or remove state actuary. Approve OSA staff salaries fixed by the state actuary.</p> <p>The committee shall consist of:</p> <ul style="list-style-type: none"> <li>• Chair and ranking minority member of House Appropriations Committee</li> <li>• Chair and ranking minority member of Senate Ways and Means Committee</li> <li>• 4 members of the SCPP appointed by chair and vice-chair - at least 1 active or retiree representative, and 1 employer representative</li> </ul> <p>Pension Funding Council solicits and administers biennial actuarial audit and shall submit the results to the SCPP for study and recommendations.</p>
Staff	Office of the State Actuary

<sup>1</sup> Three must be from the Ways and Means Committee

<sup>2</sup> Three must be from the Appropriations Committee



## Excerpts from Washington Revised Code

RCW 41.04.276

Select committee on pension policy -- Creation -- Membership -- Terms of office -- Staff support.

(1) The select committee on pension policy is created. The select committee consists of:

(a) Four members of the senate appointed by the president of the senate, two of whom are members of the majority party and two of whom are members of the minority party. At least three of the appointees shall be members of the senate ways and means committee;

(b) Four members of the house of representatives appointed by the speaker, two of whom are members of the majority party and two of whom are members of the minority party. At least three of the appointees shall be members of the house of representatives appropriations committee;

(c) Four active members or representatives from organizations of active members of the state retirement systems appointed by the governor for staggered three-year terms, with no more than two appointees representing any one employee retirement system;

(d) Two retired members or representatives of retired members' organizations of the state retirement systems appointed by the governor for staggered three-year terms, with no two members from the same system;

(e) Four employer representatives of members of the state retirement systems appointed by the governor for staggered three-year terms; and

(f) The directors of the department of retirement systems and office of financial management.

(2)(a) The term of office of each member of the house of representatives or senate serving on the committee runs from the close of the session in which he or she is appointed until the close of the next regular session held in an odd-numbered year. If a successor is not appointed during a session, the member's term continues until the member is reappointed or a successor is appointed. The term of office for a committee member who is a member of the

house of representatives or the senate who does not continue as a member of the senate or house of representatives ceases upon the convening of the next session of the legislature during the odd-numbered year following the member's appointment, or upon the member's resignation, whichever is earlier. All vacancies of positions held by members of the legislature must be filled from the same political party and from the same house as the member whose seat was vacated.

(b) Following the terms of members and representatives appointed under subsection (1)(d) of this section, the retiree positions shall be rotated to ensure that each system has an opportunity to have a retiree representative on the committee.

(3) The committee shall elect a chairperson and a vice-chairperson. The chairperson shall be a member of the senate in even-numbered years and a member of the house of representatives in odd-numbered years and the vice-chairperson shall be a member of the house of representatives in even-numbered years and a member of the senate in odd-numbered years.

(4) The committee shall establish an executive committee of six members, including the chairperson, the vice-chairperson, one member from subsection (1)(c) of this section, one member from subsection (1)(d) of this section, one member from subsection (1)(e) of this section, and the director of the department of retirement systems.

(5) Nonlegislative members of the select committee serve without compensation, but shall be reimbursed for travel expenses under RCW [43.03.050](#) and [43.03.060](#) .

(6) The office of state actuary under chapter [44.44](#) RCW shall provide staff and technical support to the committee.  
[2005 c 24 § 1, 2003 c 295 § 1.]

#### RCW 41.04.278

Select committee on pension policy -- Subcommittees.

(1) The select committee on pension policy may form three function-specific subcommittees, as set forth under subsection (2) of this section, from the members under RCW [41.04.276](#) (1) (a) through (e), as follows:

(a) A public safety subcommittee with one member from each group under RCW [41.04.276](#) (1) (a) through (e);

(b) An education subcommittee with one member from each group under RCW [41.04.276](#) (1) (a) through (e); and

(c) A state and local government subcommittee, with one retiree member under RCW [41.04.276](#) (1)(d) and two members from each group under RCW [41.04.276](#) (1) (a) through (c) and (e).

The retiree members may serve on more than one subcommittee to ensure representation on each subcommittee.

(2)(a) The public safety subcommittee shall focus on pension issues affecting public safety employees who are members of the law enforcement officers' and fire fighters' and Washington state patrol retirement systems.

(b) The education subcommittee shall focus on pension issues affecting educational employees who are members of the public employees', teachers', and school employees' retirement systems.

(c) The state and local government subcommittee shall focus on pension issues affecting state and local government employees who are members of the public employees' retirement system.  
[2003 c 295 § 2.]

#### RCW 41.04.281

Select committee on pension policy -- Powers and duties.

The select committee on pension policy has the following powers and duties:

(1) Study pension issues, develop pension policies for public employees in state retirement systems, and make recommendations to the legislature;

(2) Study the financial condition of the state pension systems, develop funding policies, and make recommendations to the legislature;

(3) Consult with the chair and vice-chair on appointing members to the state actuary appointment committee upon the convening of the state actuary appointment committee established under RCW [44.44.013](#) ; and

(4) Receive the results of the actuarial audits of the actuarial valuations and experience studies administered by the pension funding council pursuant to RCW [41.45.110](#) . The select committee on pension policy shall study and make recommendations on changes to assumptions or contribution rates to the pension funding council prior to adoption of changes under RCW [41.45.030](#) , [41.45.035](#) , or [41.45.060](#) .  
[2003 c 295 § 5.]

#### RCW 44.44.013

State actuary appointment committee -- Creation -- Membership -- Powers.

(1) The state actuary appointment committee is created. The committee shall consist of: (a) The chair and ranking minority member of the house of representatives appropriations committee and the chair and ranking minority member of the senate ways and means committee; and (b) four members of the select committee on pension policy appointed jointly by the chair and vice-chair of the select committee, at least one member representing state retirement systems active or retired members, and one member representing state retirement system employers.

(2) The state actuary appointment committee shall be jointly chaired by the chair of the house of representatives appropriations committee and the chair of the senate ways and means committee.

(3) The state actuary appointment committee shall appoint or remove the state actuary by a two-thirds vote of the committee. When considering the appointment or removal of the state actuary, the appointment committee shall consult with the director of the department of retirement systems, the director of the office of financial management, and other interested parties.

(4) The state actuary appointment committee shall be convened by the chairs of the house of representatives appropriations committee and the senate ways and means committee (a) whenever the position of state actuary becomes vacant, or (b) upon the written request of any four members of the appointment committee.

[2003 c 295 § 13.]

## RCW 41.45.110

Pension funding council -- Audits required -- Select committee on pension policy.

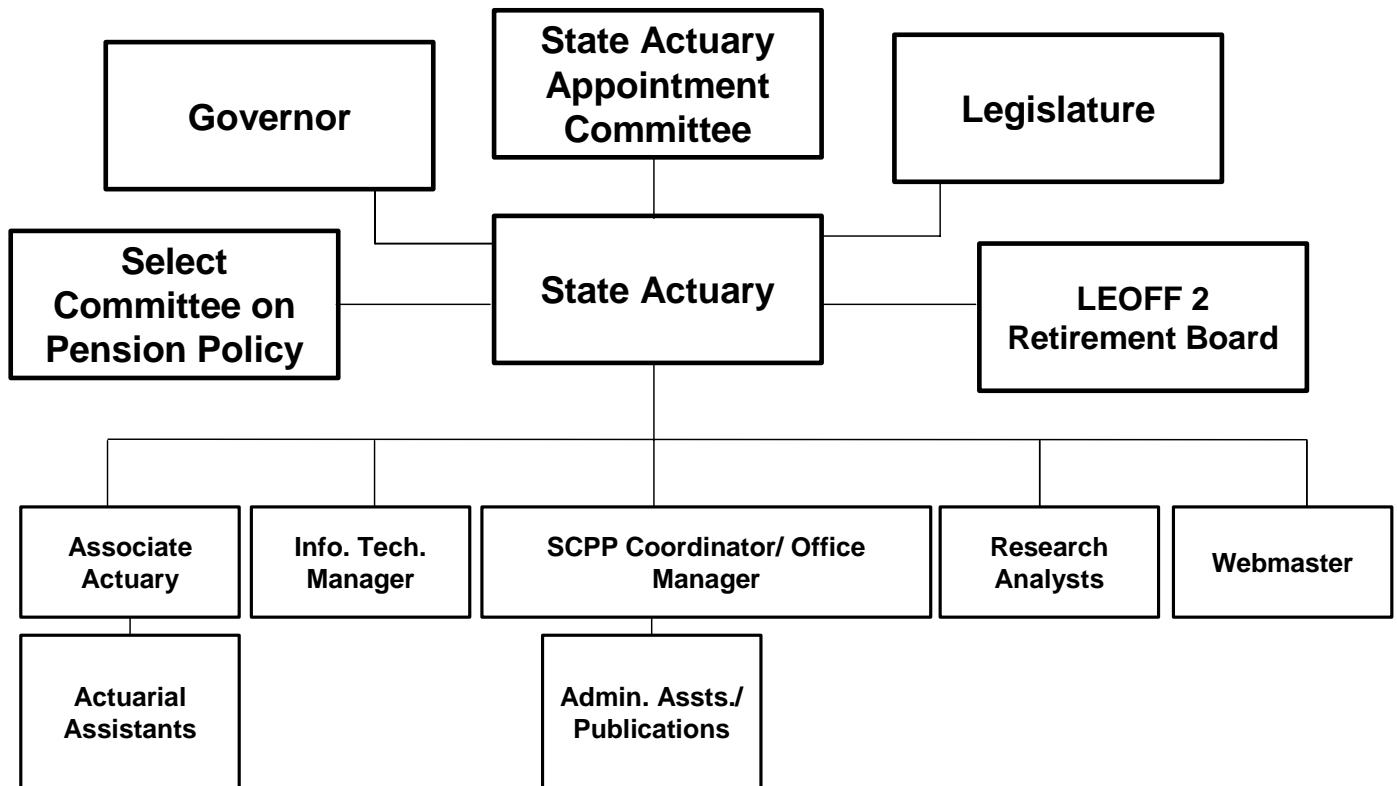
The pension funding council shall solicit and administer a biennial actuarial audit of the actuarial valuations used for rate-setting purposes. This audit will be conducted concurrent with the actuarial valuation performed by the state actuary. At least once in each six-year period, the pension funding council shall solicit and administer an actuarial audit of the results of the experience study required in RCW [41.45.090](#) . Upon receipt of the results of the actuarial audits required by this section, the pension funding council shall submit the results to the select committee on pension policy.

[2003 c 295 § 10; 1998 c 283 § 3.]

# Office of the State Actuary

- ◆ **OSA Flow Chart**
- ◆ **Staff Directory**
- ◆ **Office of the State Actuary Overview**
- ◆ **Flow Chart, Legislative and Executive**

## Office of the State Actuary Flow Chart



## Office of the State Actuary Staff Directory

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## Office of the State Actuary Overview

The Office of the State Actuary (OSA) is an agency of the Washington State Legislature. OSA was created in 1977 and our duties are set forth in Chapter 44.44 RCW.

### Principle Duties:

- ◆ Perform actuarial valuations on all state funded and/or state sponsored retirement plans;
- ◆ Recommend employer/state and member contribution rates to the Pension Funding Council (PFC) based on the results of the valuations;
- ◆ Prepare an actuarial fiscal note on each pension bill introduced in the Legislature;
- ◆ Provide staff and assistance to the Select Committee on Pension Policy (SCPP);
- ◆ Provide actuarial assistance to the Law Enforcement Officers' and Fire Fighters' Plan (LEOFF) 2 Board;
- ◆ Perform all actuarial services for the Department of Retirement Systems (DRS);
- ◆ Provide actuarial assistance and advice to the Legislature as may be required from time to time.

### Publications:

- ◆ Annual Valuations - full disclosure and funded status of the state's retirement plans, usually published in September/October.
- ◆ Experience Studies - a comparison of actual to assumed experience. OSA is required to perform these studies at least once every five years.
- ◆ Pension Studies - periodically, OSA undertakes a major study of a particular pension policy issue (normally in support of the SCPP).
- ◆ Pension Watch - An e-mail service notifying subscribers of significant developments affecting public section pension plans.

**Contact Us:**

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E-mail: [actuary.state@leg.wa.gov](mailto:actuary.state@leg.wa.gov)

## State Pension Agencies

Authority	Responsibility
Legislative	<p>House Appropriations Senate Ways and Means <i>All Plans</i></p> <ul style="list-style-type: none"> <li>• Hold hearings on pension proposals before the Legislature</li> </ul> <p><u>Office of the State Actuary / RCW 44.44.040</u> <i>All Plans</i></p> <ul style="list-style-type: none"> <li>• Actuarial valuation of the Plans</li> <li>• Provide fiscal notes/ all pension legislation</li> <li>• Advise Legislature/Governor on pension funding issues</li> <li>• Staffing for the Select Committee on Pension Policy</li> <li>• Provide actuarial assistance to: <ul style="list-style-type: none"> <li>Department of Retirement Systems</li> <li>LEOFF 2 Retirement Board</li> </ul> </li> </ul>
Quasi-Legislative	<p><u>Pension Funding Council / RCW 41.45</u> <i>All Plans, except LEOFF 2</i></p> <ul style="list-style-type: none"> <li>• Adopt economic &amp; demographic assumptions</li> <li>• Adopt contribution rates</li> <li>• Provide for an actuarial audit of valuation results</li> </ul> <p><u>Pension Funding Workgroup / RCW 41.45.120</u> <i>All Plans, except LEOFF 2</i></p> <ul style="list-style-type: none"> <li>• Provide support to the Pension Funding Council</li> <li>• Seek public input on pension funding issues</li> </ul> <p><u>Select Committee on Pension Policy / RCW 41.04.281</u> <i>All Plans, except LEOFF 2</i></p> <ul style="list-style-type: none"> <li>• Study state pension issues/benefits and funding</li> <li>• Develop policy and make recommendations to the Legislature/Pension Funding Council</li> </ul> <p><u>State Actuary Appointment Committee / RCW 44.44.013</u> <i>All Plans, except LEOFF 2</i></p> <ul style="list-style-type: none"> <li>• Appoint or remove the state actuary by a two-thirds vote</li> <li>• Approve salaries of state actuary personnel RCW 44.44.030</li> </ul>
Executive	<p><u>Office of Financial Management / RCW 43.41.110</u> <i>All Plans</i></p> <ul style="list-style-type: none"> <li>• Advise Governor on benefit funding policy within the state budget</li> </ul>

**Executive**  
(continued)

**Department of Retirement Systems / RCW 41.50**

*All Plans*

- Collect member/employer contributions
- Maintain records
- Pay benefits
- Communicate benefit information
- Advise Governor on pension benefits

**Employee Retirement Benefits Board / RCW 41.50.088**

*Plan 3 defined contribution programs only*

- Recommend investment options for member contributions
- Determine administrative charges

**State Investment Board / RCW 43.33A**

*All Plans*

- Invest retirement funds
- Maintain fund accounting

**Executive/  
Independent  
Boards**

**LEOFF Plan 2 Retirement Board / RCW 41.26.717**

- Adopt actuarial assumptions
- Adopt contribution rates
- Fiduciary responsibility

**State Board for Volunteer Fire Fighters and**

**Reserve Officers / RCW 41.24**

- Collect contributions
- Maintain records
- Pay benefits
- Communicate benefit information

# Washington Pension Plans

- ◆ **Summary of Plan Provisions**
- ◆ **Retirement System Membership**
- ◆ **Pension Highlights , 1976 - Present**
- ◆ **Leading Pension Cases**

## Summary of Plan Provisions

Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
<b>PERS Plan 1</b> (By 9/30/77)	State employees, elected officials, employees of local governments, legislative committees, community/technical colleges, classified employees of school districts, district/municipal court judges, and some employees of the Supreme, Appeals, and Superior Courts	After 5 years of eligible service	At age 60 with 5 years of service, at age 55 with 25 years of service, or at any age with 30 years of service.	2% of average final compensation (AFC) per year of service. Maximum 60% of AFC
<b>PERS Plan 2</b> (On or after 10/1/77)	Same as PERS Plan 1, except classified school district employees; new employees hired on or after 3/1/02 at state agencies and higher education, or on or after 9/1/02 at all other employers, must choose Plan 2 or Plan 3	After 5 years of eligible service	At age 65 with five years of service, a benefit reduced 3% per year at age 55 with 30 years service, or an actuarially reduced benefit at age 55 with 20 years of service.	2% of AFC per year of service
<b>PERS Plan 3</b> (Varies by employer)	Same as PERS Plan 2; new employees hired on or after 3/1/02 at state agencies and higher education, or on or after 9/1/02 at all other employers, must choose Plan 2 or Plan 3	After 10 years of service. After five years if 12 months of service earned after age 54.	At age 65 if vested, or an actuarially reduced benefit at age 55 with 10 years of service (defined benefit portion).	1% of AFC per year of service (defined benefit portion)*
<b>SERS Plan 2</b> (On or after 9/1/00)	All classified employees of school districts or educational service districts	After 5 years of eligible service	At age 65 with 5 years of service, a benefit reduced 3% per year at age 55 with 30 years service, or an actuarially reduced benefit at age 55 with 20 years of service.	2% of AFC per year of service
<b>SERS Plan 3</b> (On or after 9/1/00)	All classified employees of school districts or educational service districts	After 10 years of service. After 5 years if 12 months of service earned after age 54.	At age 65 if vested, or an actuarially reduced benefit at age 55 with 10 years of service (defined benefit portion).	1% of AFC per year of service (defined benefit portion)*
<b>TRS Plan 1</b> (BY 9/30/77)	All certificated public school employees	After 5 years of eligible service	At age 60 with 5 years of service, at age 55 with 25 years of service, or at any age with 30 years of service.	2% of AFC per year of service. Maximum 60% of AFC
<b>TRS Plan 2</b> (On or after 10/1/77 and by 6/30/96)	All certificated public school employees	After 5 years of eligible service	At age 65 with 5 years of service, a benefit reduced 3% per year at age 55 with 30 years service, or an actuarially reduced benefit at age 55 with 20 years of service	2% of AFC per year of service
<b>TRS Plan 3</b> (On or after 7/1/96)	All certificated public school employees	After 10 years of service. After 5 years if 12 months of service earned after age 54.	At age 65 if vested, or an actuarially reduced benefit at age 55 with 10 years of service (defined benefit portion)	1% of AFC per year of service (defined benefit portion)*

Plan	Membership Eligibility	Vesting	Retirement Eligibility	Benefit
LEOFF Plan 1 (By 9/30/77)	All full-time, fully compensated law enforcement officers and fire fighters	After 5 years of eligible service	At age 50 with 5 years of service	2% of final average salary (FAS) per year of service for members with at least 20 years of service. Lesser accruals for members with less service.
LEOFF Plan 2 (On or after 10/1/77)	All full-time, fully compensated law enforcement officers and fire fighters	After 5 years of eligible service	At age 53 with 5 years of service, or a benefit at age 50 with 20 years of service reduced 3% for each year under age 53	2% of FAS per year of service
WSPRS Plan 1 (On or after 8/1/47 and by 12/31/02)	Commissioned employees of the Washington State Patrol	After 5 years of eligible service	At age 55 or after 25 years of service; mandatory retirement at age 60	2% of average final salary per year of service. Maximum 75% of AFS
WSPRS Plan 2 (On or after 1/1/03)	Commissioned employees of the Washington State Patrol	After 5 years of eligible service	At age 55 or after 25 years of service; mandatory retirement at age 60	2% of average final salary per year of service. Maximum 75% of AFS
JRS (On or after 8/9/71 and by 6/30/88 - New Judges on or after 7/1/88 join PERS Plan 2)	Judges elected or appointed to the Supreme Court, the Court of Appeals and Superior Courts	After 15 years of service	At age 60	15 years of service = 3.5% of AFC per year of service; 10-14 = 3% of AFC per year of service
Judges (By 8/8/71)	Judges elected or appointed to the Supreme Court, the Court of Appeals and Superior Courts	After 12 years of service	At age 70 with 10 years of service or any age with 18 years of service	1/2 of the monthly salary
Volunteer Firefighters and Reserve Officers (1945)	Volunteer firefighters, emergency workers, and reserve officers	After 10 years of service	At age 65 with 25 years of service. Early retirement at age 60 with 10 years of service.	\$50/month plus \$10 for each year in which a contribution was made, to a maximum of \$300.
Higher Education	Appointed faculty of institutions of higher education, including community colleges, or non-faculty employees as specified; optional for 1 <sup>st</sup> two years in an eligible position and for members transferred to ineligible positions	Immediately for contributory plan; after 10 years of eligible service for the supplemental benefit	At age 65 with 10 years of credited service in an in-state institution. For members with 25 years of service, the employee's contributory fund is annuitized	After 25 years an annuity with a supplemental benefit to assure 50% of AFC; for 10-24 years, supplement is calculated at 2%/year; if member did not contribute maximum amount authorized after age 50, 75% of supplemental amount is available
PSERS Plan 2**	State and county corrections officers, city correction officers (other than those covered under first class cities), state park rangers, gambling commission enforcement officers, liquor control enforcement officers, and commercial vehicle enforcement officers	After 5 years of eligible service	At age 65 with 5 years of service credit, at age 60 (unreduced) after 10 years, or at age 53 after 20 years with a 3% per year reduction	2% of AFC per year of service

\*PERS, SERS and TRS Plan 3 are defined benefit and defined contribution plans. Employers contribute to the defined benefit portion of the plan. Employee contributions are determined by the individual employee. Gain sharing payments are applied on even numbered years, if the four-year return on investments exceeds 10 percent.

\*\*To become effective July 1, 2006.

## Retirement System Membership

### Public Employees' Retirement System (PERS)

State employees, employees of political subdivisions (with some exceptions), "non-certificated" school employees.

### Public Safety Employees' Retirement System (PSERS)\*

State and county corrections officers, state and local community corrections officers, city corrections officers (other than the employees covered under the first-class cities retirement system), state park rangers, gambling commission enforcement officers, liquor control enforcement officers, commercial vehicle enforcement officers.

*\* This plan becomes effective July 1, 2006.*

### School Employees' Retirement System (SERS)

Classified employees of school districts and employees of educational service districts first hired on or after September 1, 2000.

### Teachers' Retirement System (TRS)

Teachers, school superintendents, education staff associates (ESAs).

### Law Enforcement and Fire Fighters' Retirement System (LEOFF)

Fire fighters, and law enforcement officers (sheriffs, University of Washington and city police officers, and town marshals), port police (Port of Seattle), fish and wildlife enforcement officers.

### Washington State Patrol Retirement System (WSPRS)

Commissioned officers of the Washington State Patrol.

### Judicial Retirement System (JRS) *(closed 6-30-88)* / Judges *(closed 8-8-71)*

Elected and appointed judges.

### Higher Education Retirement System (TIAA/CREF)

Faculty of institutions of higher education and non-faculty, as specified by the Board of Regents or Trustees.

### Volunteer Firefighters' Retirement System

Fire fighters who are neither members of a municipal fire department nor full-time, paid members of LEOFF, and reserve police officers.



## Pension Highlights, 1976 - Present

- 1976 Department of Retirement Systems created.  
Office of the State Actuary created.
- 1977 PERS, TRS and LEOFF Plan 2 systems created.
- 1980 PERS/ TRS 1 early retirement window enacted.
- 1981 State Investment Board created to manage and invest funds of the state retirement funds.
- 1982 PERS/ TRS 1 early retirement window enacted.
- 1987 Joint Committee on Pension Policy created.  
Portability between PERS, TRS and WSP enacted.
- 1989 Pension Funding Reform enacted. Legislation established a new procedure for setting pension system contribution rates.  
Plan 1 Age-65 COLA enacted. This is the first *automatic* cost-of-living adjustment granted in the PERS/TRS 1 systems.
- 1990 Annual notification of membership service credit earned is approved.
- 1991 Coordinated employee benefit communications program initiated. State employees begin receiving notification of pension service credit earned to date.
- 1992 PERS/TRS 1 early retirement window enacted.

**1993** PERS/TRS 1 early retirement window enacted.

LEOFF 2 benefits amended to:

- Reduce the service retirement age to 55;
- Allow portability with other state retirement systems;
- Provide those members terminating membership after 10 years of service with a refund of 150% of employee contributions plus interest;
- Provide terminated vested members with at least 20 years of service an annual 3% increase in eligible benefits between the time of their termination and commencement of benefits.

**1995** Uniform COLA design replaces Plan 1 Age-65 COLA.

TRS Plan 3 Retirement System created. Plan became effective in 1996.

**1996** \$150,000 Death benefit for LEOFF and WSP members.

**1998** Plan 1 Gain-sharing enacted.

Pension Funding Council created to adopt economic assumptions and contribution rates for the retirement systems.

School Employees' Retirement System (SERS) Plans 2/3 created. Plans became effective in 2000.

**1999** Plan 1 members with 30 years of service may direct their employee contributions into separate retirement investment accounts.

Automatic cost-of-living adjustments for WSP survivor benefits enacted.

**2000** Optional PERS 3 enacted. Became effective in 2002.

LEOFF 2 retirement age lowered from age-55 to age-53.

**2001** New tier of benefits added to the Washington State Patrol retirement system. Tier became effective 2003.

- 2002 New survivor options created in all retirement plans to address changes in members' marital status both before and after retirement.

The retirement age for PERS 1 terminated vested members who have at least 20 years of service, and are at least age 50 when they leave service, is reduced from age 65 to age 60.

Passage of Initiative 790 creates a new LEOFF 2 board of trustees with the power to:

- Adopt actuarial standards to be applied to LEOFF 2;
- Provide additional benefits to LEOFF 2 members;
- Exercise fiduciary responsibility in the oversight of its management responsibilities;
- Provide annual reports on the Plan to the legislature, members, beneficiaries and the public; and
- Establish contribution rates for LEOFF 2.

- 2003 Joint Committee on Pension Policy replaced by 20 member Select Committee on Pension Policy composed of 4 members of the House, 4 members of the Senate, 4 active employee representatives, 4 employer representatives, 2 retiree representatives, and the directors of DRS and OFM.

\$150,000 Death Benefit for PERS, TRS and SERS members.

- 2004 Public Safety Employees' Retirement System (PSERS) Plan 2 created, to be effective July 1, 2006.

\$1,000 minimum benefit for PERS 1 and TRS 1 members who have been retired at least 20 years with at least 25 years of service.

- 2005 LEOFF 2 disability benefit amended to remove the actuarial reduction for duty-related disabilities.

## Leading Pension Cases

### Summary of Bakenhus v. City of Seattle, 48 Wn.2d 695; 296 P.2d 536 (1956)

- A. **Facts of the Case:** H. D. Bakenhus was a retired policeman. When he became a member of the Seattle police department in 1925, the law provided that he was eligible to retire on a pension equal to one-half the salary attached to the rank held by him for the year preceding his retirement. The pension fund law was later amended in 1937 to provide a maximum monthly dollar amount for police retirement pensions.

Mr. Bakenhus became a police captain in 1943 and retained that status until he retired in 1950. For the year before his retirement his salary was \$370 a month, which would have yielded a monthly retirement pension of \$185 per month under the law in effect when he was hired. At retirement, the City authorized a retirement pension of \$125 per month based on the allowed maximum fixed by the laws in effect when Mr. Bakenhus retired. He then brought an action to compel the city to pay him a pension based on one-half his captain's salary rather than the maximum pension amount in the amended pension law.

- B. **Procedural Posture:** The trial court ordered the city to pay Mr. Bakenhus the higher pension amount plus the difference between the increased pension and the pension he had received since retirement. The City of Seattle appealed.
- C. **Issue Presented:** Whether the 1937 amendment to the pension law impaired the obligation of Mr. Bakenhus' contract with the city and the pension board, such that it is void as to him (and all who became members of the police department prior to the 1937 enactment).
- D. **Holding of the Case:** The Washington Supreme Court affirmed the trial court's ruling, announcing the following rule: the employee who accepts a job to which a pension plan is applicable contracts for a substantial pension and is entitled to receive the same when he has fulfilled the prescribed conditions. The employee's pension rights may be modified prior to retirement, but only for the purpose of keeping the pension system flexible and maintaining its integrity.

- E. **Reasoning of the Court:** The Court agreed with the so-called "California rule" that pension provisions are an integral portion of the contemplated compensation set forth in the contract of employment, and are an inseparable part of that contract. Pension rights become vested at the time the employee enters public service. This means that at the time the employee joins the fund, his or her right to continued membership in the pension plan under the same rules and regulations existing at the time of employment are complete and vested. When the employee has fulfilled the prescribed conditions for receiving benefits, he or she is then entitled to receive a pension according to the vested pension rights.

This does not mean that the employer may never modify the pension rules and regulations applicable to the employee at the time of employment. However, the Court was clear that an arbitrary limitation of contractual pension rights must be justified. For example, the Court suggested that a change that removes a benefit might be justified by a showing of a corresponding benefit to those affected by the change. The Court further noted that in this case, there had been no showing of a corresponding benefit, and no showing that the benefit reduction was necessary to preserve and perfect the system, or that it bore a reasonable relation to the purposes of the pension plan.

Finally, the Court found that Mr. Bakenhus was not too late in asserting his rights. The Court noted that he had complied with the provisions of his contract by giving twenty-five years of faithful service during which he turned down other opportunities for employment. Until Bakenhus had established his right to receive a pension by fulfilling the conditions of his contract, he could show no actual injury to himself by subsequent legislative changes. By waiting until those conditions for receiving a pension were fulfilled, Bakenhus did not lose his right to assert that he had been deprived of his rights by the 1937 legislation.

Summary of Weaver v. Evans,  
80 Wn.2d 461, 495 P.2d 639 (1972)

- A. **Facts of the Case:** The legislature appropriated more than \$62 million to the retirement system for the biennium ending June 30, 1971. Pursuant to statute, the transfer of funds under this appropriation from the state general fund to the retirement system was to be on a quarterly basis at the direction of and at a rate determined by the system's board of trustees.

In late December of 1970, the Governor advised the retirement system's board of trustees that in order to prevent state expenditures from exceeding revenues, he deemed it necessary to revise allotments from the general fund, and that for the remaining of the biennium the transfers to the retirement system would be curtailed. (The Governor ultimately curtailed the transfer of approximately \$18 million from the general fund to the retirement system.) Upon receipt of notice from the Governor, the Board determined that the effect of the Governor's action would be to cause the trustees to withdraw funds from the pension reserve fund, and no additional moneys would be placed in the pension reserve fund for the remainder of the biennium.

The board of trustees did not believe they had the authority to take this action, so they sought advice from the Attorney General. The AG advised that the board had implied authority transfer funds from the pension reserve account for the purpose of paying pension obligations for the ensuing quarter. The board then adopted a resolution under protest directing a transfer of funds from the pension reserve fund to the pension fund.

- B. **Procedural Posture:** The petitioners, which included a retired teacher, an active teacher and the Washington Education Association, sought a writ of mandamus compelling the Governor, the State Treasurer and the Director of Program Planning and Fiscal Management to transfer to the teachers' retirement system the previously appropriated moneys that had been withheld by order of the Governor. They also requested that the trustees be ordered to restore to the system's pension reserve fund any funds transferred from the PRF.

- C. **Issue Presented:** Whether legislative appropriations to the retirement system are subject to the Governor's statutory authority to revise or alter agency allotments of appropriations for the ensuing fiscal period.
- D. **Holding of the Case:** The Governor's statutory powers did not include the power to, by executive action, modify the legislative provision of a systematic funding program studiously formulated to attain and maintain a legislatively promised financially sound retirement system; therefore, the Supreme Court issued the writ of mandamus.
- E. **Reasoning of the Court:** The Court reasoned that the legislature had, over a span of years, indicated a deep concern for the actuarial soundness of the retirement system, and further, that legislature's concern had culminated in the express adoption of a systematic method of funding to ultimately attain the desired soundness. The Court characterized the systematic funding of the retirement system as one of the vested contractual pension rights flowing to members of system. The Court relied on *Bakenhus* for the proposition that such a vested contractual right cannot be unilaterally modified except for the purpose of keeping the retirement system flexible and maintaining its integrity. Any modification, to be upheld, must be reasonable and bear some material relation to the theory of a pension system and its successful operation; otherwise the vested contractual right is unconstitutionally impaired. With this disposition, the Court did not reach the question of whether the board of trustees had any authority to withdraw moneys from the pension reserve fund.

# Pension Funding

- ◆ **Pension Plan Cost: The Basics**
- ◆ **How Contribution Rates are Established**
- ◆ **History of Contribution Rates - 1994 to 2004**
- ◆ **2004-2006 Contribution Rates**



## Pension Plan Cost: The Basics

The cost of a defined benefit plan is determined by an actuary. Actuaries determine how to spread the cost of the pension plan over each participant's working lifetime. There are three basic principles used:

- ◆ Normal Cost - The value of the additional benefits earned each year.
- ◆ Unfunded Liability - The excess of the actuarial liabilities over the assets.
- ◆ Assumptions and Methods - Actuaries set assumptions and select methods to measure the normal cost and the actuarial liability.

The cost of a plan is the normal cost plus a payment towards the unfunded liability. An unfunded liability, when the actuarial liability exceeds the assets, will increase the cost. An asset surplus, when the actuarial liability is less than the assets, will decrease cost.

### Asset Methods

Assets can be measured using the market value or the actuarial value.

- ◆ The market value is the value at which the securities in the pension fund could be traded on the market.
- ◆ The actuarial value of assets uses a smoothing technique to delay the recognition of investment gains and losses, subject to a corridor around the market value of assets.

### Actuarial Cost Methods

Actuarial cost methods are used to determine the pension liabilities, and to split the liabilities between the accrued liability and the normal cost. Common actuarial cost methods include the Entry Age Normal (EAN) Cost Method, the Projected Unit Credit (PUC) Cost Method, and the Aggregate Cost Method.

- ◆ EAN - The cost for each member is determined as a level percentage of pay from date of entry into the system until retirement age. This method produces an actuarial liability and a normal cost.
- ◆ PUC - The cost for each member is determined based on the ratio of years of service to the projected years of service at retirement age. This method produces an actuarial liability and a normal cost.
- ◆ Aggregate - The cost is based on a level percentage of payroll for all members in the system. This method produces a normal cost, but no unfunded actuarial accrued liability since the actuarial liability is equal to the actuarial value of assets.

The cost under the different methods depends on the actuarial assumptions used to determine the liabilities. Actuaries are given very specific guidance about how assumptions are chosen, who chooses them, and what conditions they must reflect.

### **Actuarial Assumptions**

Pension funding requires assumptions to be made about the future. These assumptions are called actuarial assumptions and they, along with current plan participant data and the benefit formula described in the pension plan, are used to project future benefit obligations.

There are two types of assumptions selected:

- ◆ Economic Assumptions - interest rates, salary increases, inflation and rates of return on investments; and
- ◆ Demographic Assumptions - retirement rates, turnover rates, disability rates, and mortality rates

### **Actuarial Gains or Losses**

A pension plan has actuarial gains or losses each year because the actual events during the year ("experience") may not exactly match the long-term assumptions made. Gains or losses on plan assets occur when the actual investment returns are higher or lower than anticipated. Annual gains or losses

on actuarial liabilities can occur because long-term assumptions (e.g. mortality, salary increase, termination, retirement) were not met in a given year.

### **Present Values**

Under any method of calculating liabilities, the actuary calculates the expected future pension payments for each participant in the plan. Each future payment is discounted from the date of payment to the valuation date using the actuarial assumptions to determine the actuarial present value of each payment. The present value of future salaries is the sum of the projected payroll for each year into the future for the members active as of the valuation date, discounted back for interest.

### **Contribution Rates**

The contribution rates are expressed as a percentage of pay. In general, this is calculated by taking the excess of the projected liabilities over the assets, and dividing by the present value of future salaries.

### **Projections**

Actuarial valuations can be projected each year for several years into the future, and assumptions can be made about future investment returns and future new entrants for each year. Then projected contribution rates can be developed.

### **Asset/Liability Modeling**

Using asset/liability modeling, the liabilities from the actuarial projection can be combined with asset projections under different scenarios and different investment mixes to determine the asset portfolio with the optimal risk/return tradeoff for the fund. Results are typically given as a range of expected results rather than as a single estimate.

## Funding Policy

The funding policy determines the rate at which contributions are made to the fund. The pension fund has contributions and investment earnings going in and benefit payments and expenses going out. Benefit payments are independent of the method used to determine the contributions. With everything else remaining the same, higher investment earnings result in lower/less contributions being required, and lower investment earnings result in higher/more contributions being required.

Pre-funding the plan has the effect of having more of the benefits being paid from investment earnings instead of from contributions. Other advantages of pre-funding include:

- ◆ Equitably allocates to each year the cost of the pension benefits earned during one's working lifetime.
- ◆ Increased benefit security.
- ◆ Investment earnings on assets held in a qualified pension plan's trust are tax-free.
- ◆ Benefits earned under the plan are not taxed until they are paid to the participant.
- ◆ Intergenerational equity is preserved by paying for benefits as they are earned.

## How Contribution Rates Are Established

Contribution rates are established by a process mandated in Chapter 41.45 RCW, Actuarial Funding of the State Retirement Systems. In a few Plans, rates are a specific percent of salary prescribed in statute. But in the majority of Plans, rates are the product of a funding formula.

The following summary describes the funding process as embodied in state law. Any part of the funding laws may be modified either temporarily, or permanently at the discretion of the Legislature.

**Step 1:** *(Fall of even-numbered years)*

An actuarial valuation is performed by OSA on the most recent data available. The valuation identifies how much money must be contributed annually to pay for the benefits members are expected to earn during their public service. The manner in which the valuation is performed is subject to statutory requirements and actuarial standards of practice.

**Step 2:** *(September of even-numbered years)*

The valuation rates for all Plans except LEOFF 2 are submitted to the Pension Funding Council (PFC) for official adoption. LEOFF 2 rates are adopted by the LEOFF 2 Retirement Board. The PFC also solicits an independent audit of the OSA results.

**Step 3:** *(Beginning in January each year)*

When the Legislature convenes in January of each year it may enact benefit changes that alter the funding status of the Plans. State law requires that contribution rates be adjusted accordingly.

OSA calculates the cost of benefit changes in documents known as fiscal notes and an adjustment is made via a temporary supplemental rate increase. At the beginning of the next rate-setting cycle the cost of any benefit changes is included in the valuation study.

**Step 4:** *(September of each year)*

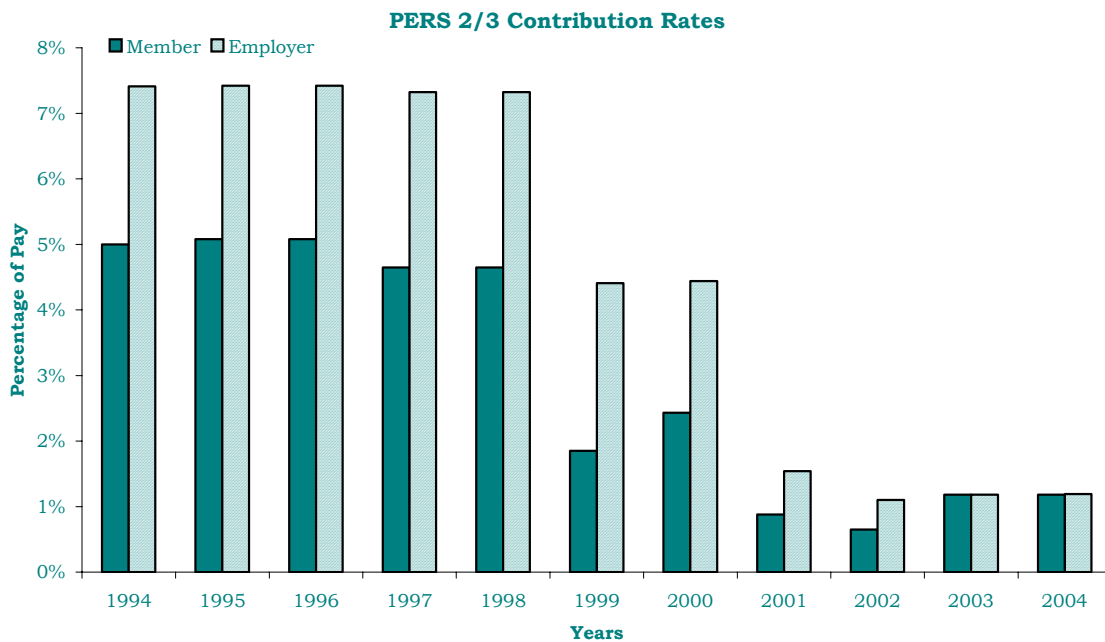
Valuation rates become effective at the beginning of odd-numbered fiscal years and remain in effect for two years.

Supplemental rates typically become effective September 1, unless legislation mandates otherwise. In some years, rates may change more than once as a result of separate effective dates for new legislation.

## History of Contribution Rates - 1994 to 2004



Note: Employer rate does not include administrative expense charge, currently 0.19%.

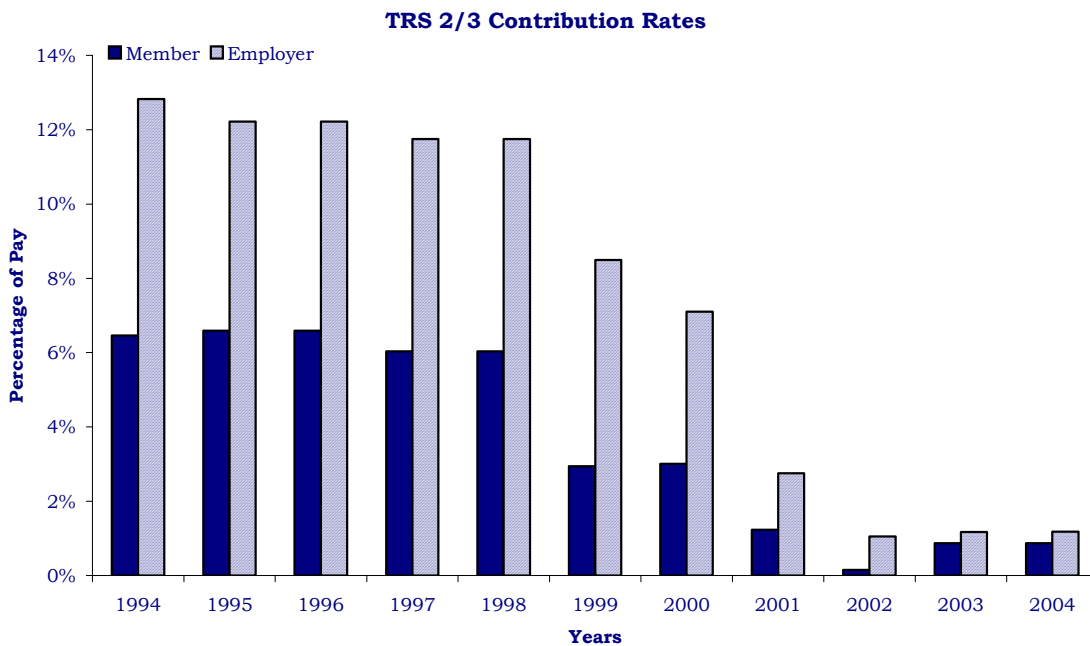


Note: Employer rate does not include administrative expense charge, currently 0.19%.

\*Plan 3 members do not contribute to the defined benefit plan.



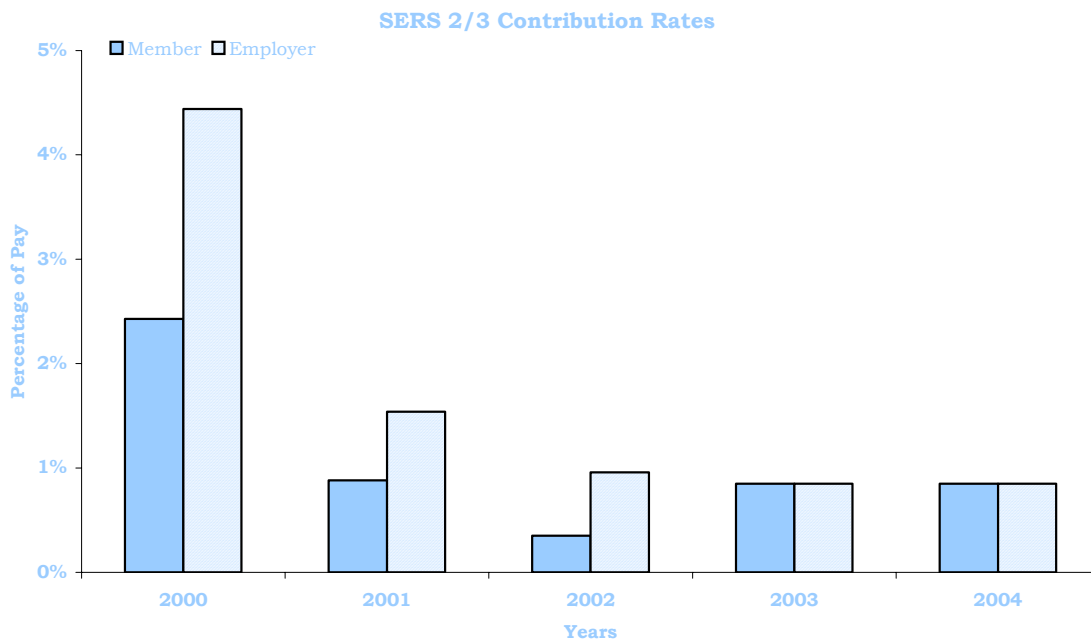
Note: Employer rate does not include administrative expense charge, currently 0.19%.



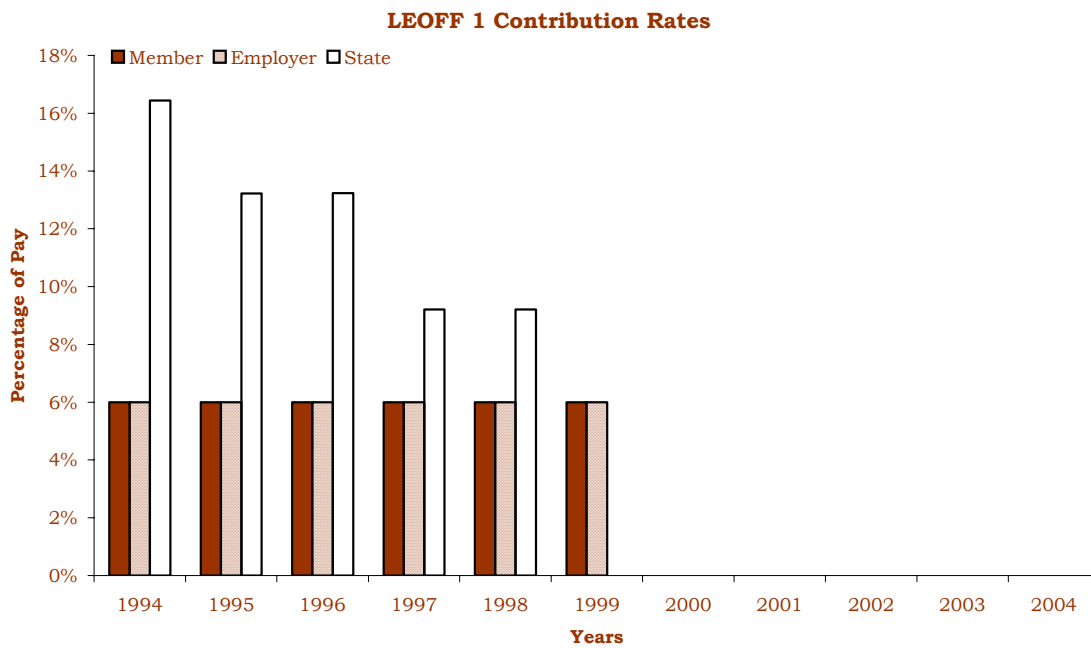
Note: Employer rate does not include administrative expense charge, currently 0.19%.

\*Plan 3 members do not contribute to the defined benefit plan.

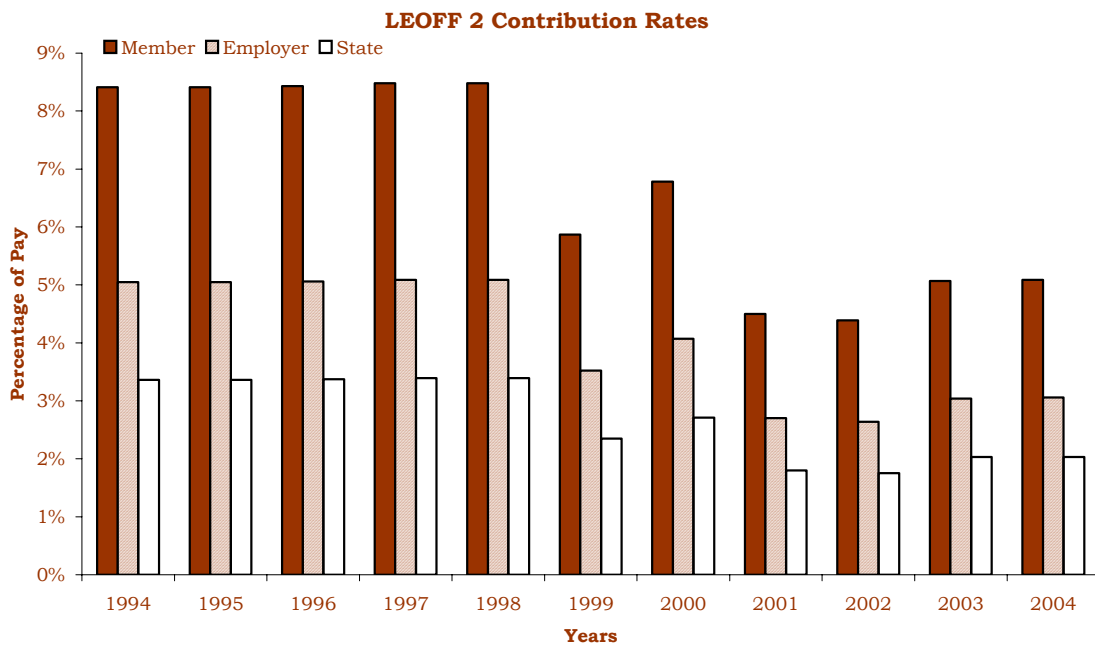




Note: Employer rate does not include administrative expense charge, currently 0.19%.  
 \*Plan 3 members do not contribute to the defined benefit plan.

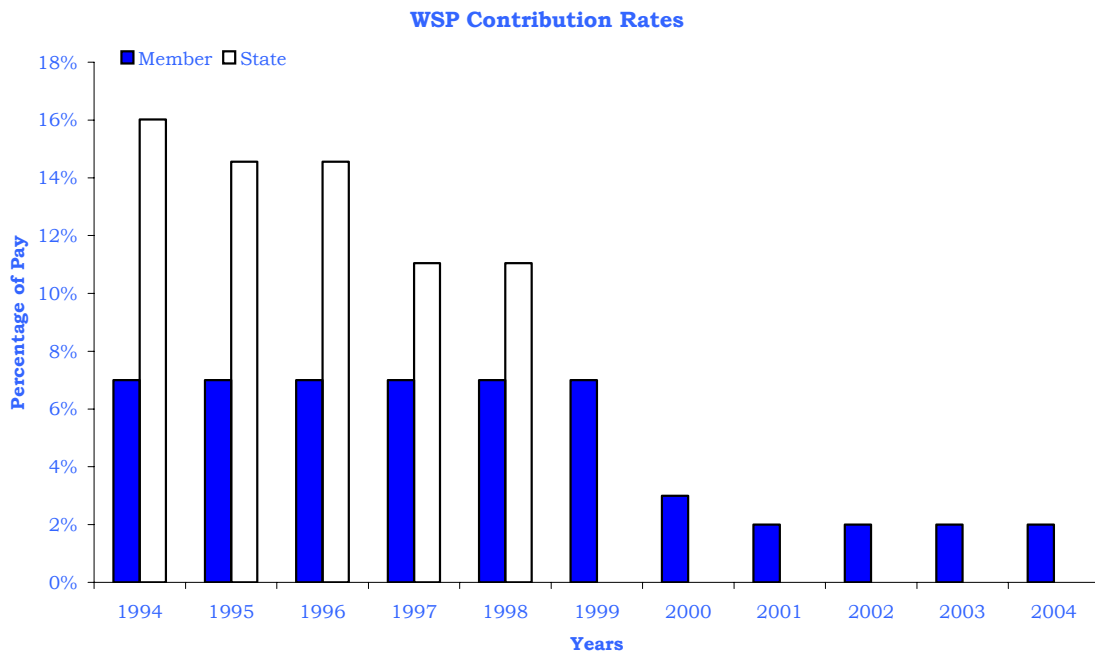


Note: Employer rate does not include administrative expense charge, currently 0.19%.  
 \*LEOFF 1 is fully funded so no contributions are required at this time.



Note: Employer rate does not include administrative expense charge, currently 0.19%.

\*The state pays 20% of the total normal cost for LEOFF 2, the member pays 50%, and the employer pays 30%.



Note: Employer rate does not include administrative expense charge, currently WSP does not pay the administrative expense rate.

\*Since 2001 members pay 50% of the total normal cost, but not less than 2%. The employer pays the excess (if any).

## 2004-2006 Contribution Rates

The table below shows future contribution rates based on the enactment of ESHB 1044, SSB 5615, and SHB 1936 during the 2005 session. Passage of these measures:

- Delayed recognition of costs associated with future gain-sharing liabilities until the 2007-2009 biennium.
- Continued suspension of payments toward the PERS 1 and TRS 1 unfunded liability.
- Initiated a four-year phase-in of contribution rate increases.
- Implemented an increase to LEOFF 2 rates to fund additional duty-related disability benefits and expand membership to include emergency medical technicians who are currently PERS members.

	2004 <sup>1</sup>		2005 <sup>1</sup>		2006 <sup>1</sup>	
	Plan 1	Plan 2/3 <sup>2</sup>	Plan 1	Plan 2/3 <sup>2</sup>	Plan 1	Plan 2/3 <sup>2</sup>
<b>Public Employees' Retirement System (PERS)</b>						
Member	6.00%	1.18%	6.00%	2.25%	6.00%	3.50%
Employer <sup>3,4</sup>	1.38%	1.38%	2.44%	2.44%	3.69%	3.69%
<b>School Employees' Retirement System (SERS)</b>						
Member	NA	0.85%	NA	2.75%	NA	3.75%
Employer <sup>3,4</sup>	NA	1.04%	NA	2.94%	NA	3.94%
<b>Teachers' Retirement System (TRS)</b>						
Member	6.00%	0.87%	6.00%	2.48%	6.00%	3.00%
Employer <sup>3,4</sup>	1.37%	1.37%	2.92%	2.92%	3.44%	3.44%
<b>Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)</b>						
Member	0.00%	5.09%	0.00%	6.99% <sup>5</sup>	0.00%	7.79% <sup>2</sup>
Employer <sup>4</sup>	0.19%	3.25%	0.19%	4.39% <sup>5</sup>	0.19%	4.87% <sup>2</sup>
State	0.00%	2.03%	0.00%	2.79% <sup>5</sup>	0.00%	3.11% <sup>2</sup>
<b>Washington State Patrol Retirement System (WSPRS)</b>						
Member	2.00%	2.00%	4.51%	4.51%	4.51%	4.51%
Employer	0.00%	0.00%	4.51%	4.51%	4.51%	4.51%

<sup>1</sup> PERS, LEOFF and WSP rates become effective 7/1. TRS and SERS rates become effective 9/1.

<sup>2</sup> Plan 3 members do not contribute to the defined benefit portion of their retirement benefits.

<sup>3</sup> Employer rates are the same for Plans 1, 2 and 3.

<sup>4</sup> Employer rates include an administrative expense rate of 0.19%.

<sup>5</sup> 2005 LEOFF 2 rates include a supplemental rate that becomes effective 9/1. Between 7/1 and 9/1 LEOFF 2 rates are: Member: 6.75%; Employer: 4.24% (includes the administrative expense); and State: 2.70%.

# Notes

# Resources

- ◆ **Glossary of Pension/Actuarial Terms**
- ◆ **Acronyms**
- ◆ **Retirement Links**
- ◆ **Pension-related Websites**

## Glossary of Pension/Actuarial Terms

Active	Defined benefit plan
Actuarial accrued liability (AAL)	Defined contribution plan
Actuarial assumptions	Demographic assumptions
Actuarial cost methods	Deterministic forecast
Actuarial equivalent	Disability retirement
Actuarial present value	Deferred Retirement Option Plan (DROP)
Actuarial value of assets (AVA)	Duration
Actuarially reduced	Early retirement
Actuary	Economic assumptions
Age difference	Enrolled Actuary
Age retirement	Equities
Alternate Payee	ERISA
Amortization	Fiduciary
Annuitant	Financial Economics
Annuity	401(k), 403(b) and 457 Plans
Antiselection	Fully projected benefits
Asset/Liability (A/L) study	Funding ratio
Asset allocation	Gain sharing
Average Final Compensation (AFC)	General Accounting Standards Board
Beneficiary	Hybrid plan
Building Block Method	Individual Retirement Account
Cash balance pension plan	Integrated pension plan
Cash flow matching	Interest rate
Cash-out	Investment return
Closed group	Joint and survivor annuity
Contribution rate	KEOGH (HR 10) account
Contributions	Leap-frogging
Contributory plan	Life annuity
Cost of Living Adjustment (COLA)	Life expectancy
Credited projected liability	Lump sum distribution
Credited projected benefits	Market value of assets (MVA)
Credited service	Merit scale
Death benefit	Money purchase plan
Decrements	Mortality tables
Deferral period	Multi-employer plan
Deferred annuity	Non-contributory plan
Deferred compensation	

Normal cost	Rate smoothing
Normal retirement age	Refund of contributions
Offset plan	Replacement ratio
Open group	Restoration
Other Post-Employment Benefits	Retiree
Pay-as-you-go	Retire/Rehire
Pension	Retiree medical
Pension benefit obligation	Retirement rates
Pension equity plan	Roth IRA
Percent married	Salary inflation
Phased retirement	Service retirement
"Pop-up" option	Status
Portability	Stochastic forecast
Public plan	Supplemental cost
Pre-funding	Survivor
Present value	Terminated vested
Present value of credited projected benefits (PVCBP)	Terminated non-vested
Present value of fully projected benefits (PVFPB)	Thirteenth check
Present value of future benefits	Transfer
Present value of future salaries	Turnover
Projected benefits	Unfunded actuarial accrued liability
Projection valuation	Unfunded liability
Prudent man rule	Uniform COLA
Qualified Domestic Relations Order (QDRO)	Valuation assets
Qualified plan	Variable annuity
	Vesting
	Withdrawal

**Active** - A member of a retirement system who is currently employed.

**Actuarial accrued liability** - Computed differently under different funding methods, the actuarial accrued liability generally represents the portion of the present value of fully projected benefits attributable to service credit that has been earned (or accrued) as of the valuation date.

**Actuarial assumptions** - Factors which actuaries use in estimating the cost of funding a defined benefit pension plan. Examples include: the rate of return on plan investments; mortality rates; and the rates at which plan participants are expected to leave the system because of retirement, disability, termination, etc.

**Actuarial cost methods** - An actuarial method which defines the allocation of pension costs (and contributions) over a member's working career. All standard actuarial cost methods are comprised of two components: normal cost and the actuarial accrued liability. It is important to note that an actuarial cost method determines the incidence of pension costs but not the ultimate cost of a pension plan. The ultimate cost is determined by the actual benefits paid less the actual investment income.

**Actuarial equivalent** - A benefit having the same present value as the benefit it replaces. Also, the amount of annuity that can be provided at the same present value cost as a specified annuity of a different type or a specified annuity payable from a different age.

**Actuarial present value** - The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions (i.e. interest rate, rate of salary increases, mortality, etc.)

**Actuarially reduced** - The method of adjusting a benefit received at an early date so that the expected total cost to the retirement system is equivalent to the cost if the benefit did not begin until later.

**Actuarial value of assets (AVA)** - A measure of the assets of a pension fund that may use market value or may use a smoothing technique to defer the recognition of investment gains and losses.

**Actuary** - A credentialed member of an actuarial organization such as the Society of Actuaries, the American Academy of Actuaries, or the Conference of Consulting Actuaries. Actuaries in the pension field use math skills to determine the liabilities and costs of pension plans.

**Age difference** - When the actual age difference between a member and the member's spouse is not available, an assumption is made about the average age difference.



**Age retirement** - Normal retirement dependent upon attainment of a specified age.

**Alternate payee** - An alternate payee is entitled to receive benefits from the retirement system as the result of a Qualified Domestic Relations Order (QDRO).

**Amortization** - Paying off an interest bearing liability by gradual reduction through a series of installments, as opposed to paying it off by one lump sum payment. Amortization payments can be level dollar amounts or level percentages of payroll.

**Annuitant** - One who receives periodic payments from the retirement system. This broad term includes service and disability retirees, and their survivors.

**Annuity** - A series of periodic payments, usually for life, payable monthly or at other specified intervals. The term is frequently used to describe the part of a retirement allowance derived from a participant's contributions. Compare with "pension".

**Antiselection** - The tendency of a person to recognize his/her health status in selecting the option under a retirement system which is most favorable to him or herself.

**Asset/Liability (A/L) Study** - An asset/liability (A/L) study involves projecting the assets and liabilities of a retirement system to determine the impact that choices on asset allocation have on contribution rates and funded ratios

**Asset allocation** - Asset allocation refers to the mix of investments in the pension fund

**Average Final Compensation (AFC)** - Pay used in calculating benefits under the retirement system is based on the average of a member's pay over a specified period.

**Beneficiary** - The person designated to receive benefits under an employee benefit plan in the event of the death of the person covered by the plan.

**Building Block Method** - The building block method is a method for estimating the rate of return for a pension fund based on the asset allocation and the expected rate of return for each asset class.

**Cash balance pension plan** - A hybrid defined benefit plan that has some of the features of a defined contribution plan. The most distinguishing feature of a cash balance pension plan is the use of a separate account for each participant. The plan sponsor is responsible for investment decisions. Investment risk is borne by the plan sponsor, not the participant.

**Cash flow matching** - Cash flow matching refers to matching expected retirement system benefit payments with expected cash flows from fixed income investments.

**Cash-out** - A lump sum payment of the member's contributions prior to retirement.

**Closed group** - A closed group means that the valuation is based on current members only and no new entrants.

**Cost of Living Adjustment (COLA)** - A Cost of Living Adjustment (COLA) is an increase in retirement benefits to adjust for inflation.

**Contributory plan** - A plan to which participants, as well as the employer, contribute. Under certain contributory plans participants may be required to contribute as a condition of eligibility.

**Contribution rate** - The contribution rate is the percent of pay that is deposited into the pension fund for each active member of a retirement system.

**Contributions** - The contributions are the cash flows that are deposited to the pension fund on behalf of the members of a retirement system.

**Credited projected benefits** - Credited projected benefits are benefits based on current pay and projected service.

**Credited service** - A period of employment which is recognized as service for purposes of determining eligibility to receive pension payments and/or determining the amount of such payments.

**Credited projected liability** - Also known as the present value of fully credited benefits (PVFCB), the credited projected liability is the liability based on credited projected benefits. It is calculated in the same way as a measure of liabilities used for accounting purposes called the Projected Benefit Obligation (PBO). It is calculated using the Projected Unit Credit Cost Method.

**Death benefit** - A benefit payable by reason of a member's death. The benefit can be in the form of a lump sum, an annuity or a refund of the member's contributions.

**Decrement** - Decrements are reasons for leaving the retirement system including retirement, death, disability, and termination.

**Deferral period** - The deferral period is the time between when an inactive member leaves employment and benefits from the retirement system begin.

**Deferred annuity** - An annuity for which payments do not commence until a designated time in the future.

**Deferred compensation** - Considerations for employment that are not payable until after the regular pay period. The most common form of deferred compensation are pension plans, but private employers may also offer bonuses, incentive clauses, etc.

**Defined benefit (DB) plan** - A pension plan providing a definite benefit formula for calculating benefit amounts - such as a flat amount per year of service; a percentage of salary; or a percentage of salary, times years of service.

**Defined contribution (DC) plan** - A pension plan in which the contributions are made to an individual account for each employee. The retirement benefit is dependent upon the account balance at retirement. The balance depends upon amounts contributed during the employee's participation in the plan and the investment experience on those contributions.

**Demographic assumptions** - Demographic assumptions are actuarial assumptions regarding rates of retirement, withdrawal, mortality, and disablement.

**Deterministic forecast** - A deterministic forecast is a projection of contribution rates based on a specified set of assumptions about future interest rates and investment earnings.

**Disability retirement** - A termination of employment involving the payment of a retirement allowance as a result of an accident or sickness occurring before a participant is eligible for normal retirement.

**Deferred Retirement Option Plan (DROP)** - A DROP, or Deferred Retirement Option Plan, allows a pension plan participant to elect to have a retirement benefit calculated prior to actual retirement, in order to accumulate a lump sum at retirement, based on payments that would have been made had the member actually retired, in exchange for a reduced annuity.

**Duration** - Duration is the average deferral period of payments, weighted by present value. It is useful in estimating how liabilities change with changes in interest rates.

**Early retirement** - A termination of employment involving the payment of a retirement allowance before a participant is eligible for normal retirement. The retirement allowance payable in the event of early retirement is often lower than the accrued portion of the normal retirement allowance.

**Economic assumptions** - Economic assumptions are actuarial assumptions about investment return, salary inflation, salary merit scale, and Cost of Living Adjustments.

**Enrolled Actuary (EA)** - An actuary certified by the Joint Board for the Enrollment of Actuaries as being qualified to perform actuarial services under the Employee Retirement and Income Security Act of 1974 (ERISA).

**Equities** - Ownership of a company (as opposed to debt.) Examples include stocks, venture capital, and leveraged buy-outs.

**ERISA** - Acronym for the Employee Retirement Income Security Act. This federal legislation sets minimum standards for pension design to increase the security of private sector employees' benefits.

**Fiduciary** - (1) Indicates the relationship of trust and confidence where one person (the fiduciary) holds or controls property for the benefit of another person; (2) anyone who exercises power and control, management or disposition with regard to a fund's assets, or who has authority to do so or who has authority or responsibility in the plan's administration. Fiduciaries must discharge their duties solely in the interest of the participants and their beneficiaries, and are accountable for any actions which may be construed by the courts as breaching that trust.

**Financial Economics** - Financial economics is a theory about pension mathematics that focuses on recognizing assets and liabilities on a market value basis.

**401(k), 403(b) and 457 plans** - These defined contribution plans allow employees to save for retirement on a tax-deferred basis. 401(k) plans are found in the private sector and the public sector in some states. 403(b) plans are for employees of public educational institutions and certain non-profit tax-exempt organization. 457 plans (also known as deferred compensation plans) are for governmental employees and non-church-controlled tax-exempt organizations.

**Fully projected benefits** - Fully projected benefits are expected benefits from the retirement system based on future pay and future service.

**Funding ratio** - The funding ratio is the ratio of the assets of a retirement system to the liabilities.

**Gain sharing** - Gain sharing is a feature of a retirement system in which fund earnings over a threshold are used to provide benefit improvements.

**General Accounting Standards Board (GASB)** - This governmental agency sets the accounting standards for state and local government operations.

**Hybrid plan** - A hybrid plan is a plan with both defined benefit and defined contribution plan features.

**Individual Retirement Account (IRA)** - A retirement account to which an individual can make annual tax-deductible contributions according to annual limits that are specified by the Internal Revenue Service.

**Integrated pension plan** - So as not to duplicate Social Security benefits, defined benefit plans often provide that part of the Social Security pension be subtracted from the member's annuity. Defined benefit or defined contribution plans can provide that lower pension accruals be applied to employee's earnings below a specified level, generally the Social Security taxable wage base. Employees earning more than the social security taxable wage base receive greater contributions to reflect that social security benefits are not provided on pay over that amount.

**Interest rate** - The interest rate is the rate used to determine present values.

**Investment return** - Investment return refers to the earnings on the investments in the pension fund.

**Joint and survivor annuity** - A provision that enables a plan participant to take annuity payments with continuing payments of all or part of the benefits after his or her death going to a designated beneficiary. The survivor annuity will automatically be provided to a married participant if he or she does not choose against it. The annual pension benefits of the participant electing to have such a survivor annuity are generally reduced to provide for the survivor.

**KEOGH (HR 10) account** - These plans allow a self-employed individual or small business owner to establish a qualified pension or profit sharing plan funded by pre-tax contributions, subject to certain restrictions and limitations as specified by the Internal Revenue Service.

**Leap-frogging** - The practice by each of two or more retirement systems (often in the same state or province) of obtaining in rotation better benefits for its members than those of the other systems.

**Life annuity** - A monthly benefit payable as long as the annuitant is alive. There are no residual payments to survivors.

**Life expectancy** - The average number of years a person of a given age might be expected to live.

**Lump sum distribution** - Payment within one taxable year of the entire balance payable to the participant from a qualified pension or employee annuity plan.

**Market value of assets (MVA)** - The market value of assets is the value of the pension fund based on the value of the assets as they would trade on an open market, including accrued income and expenses.

**Merit scale** - The merit scale is the actuarial assumption about pay increases in excess of inflation.

**Money purchase plan** - A type of pension plan where the employer agrees to make a fixed contribution each year for each eligible employee. The contribution is typically expressed as a percentage of the employee's pay and the contribution constitutes a non-discretionary commitment on the part of the employer. The contribution must be made each year, regardless of employer profits, and can only be varied by plan amendment. Although treated differently under federal tax law, money purchase plans are fundamentally defined contribution plans.

**Mortality tables** - Mortality tables are tables of death rates developed by actuaries.

**Multi-employer plan** - A collectively bargained pension plan to which more than one non-related employer contributes.

**Non-contributory** - A retirement system in which no contributions are required of its members to aid in its financing.

**Normal cost** - Computed differently under different funding methods, the normal cost generally represents the portion of the cost of projected benefits allocated to the current plan year.

**Normal retirement age** - The age, as established by a plan, when unreduced benefits can be received. ERISA defines "normal retirement age" as the earlier of: (a) the time a plan participant attains normal retirement age under the plan or (b) the later of (i) the time a plan participant attains age 65, or (ii) the 10th anniversary of the time a plan participant commenced participation in the plan.

**Offset plan** - A pension plan in which the employer's participation in Social Security is used as "credit" against members' benefits.

**Open group** - An open group means that the valuation is based on current members plus new entrants.

**Other Post-Employment Benefits (OPEB)** - Other post-employment benefits are benefits for inactive members other than pension benefits, such as retiree medical benefits.

**Pay-as-you-go** - A method of recognizing the costs of a retirement system only as benefits are paid. Also known as the current disbursement cost method.

**Pension** - A series of periodic payments, usually for life, payable monthly or at other specified intervals. The term is frequently used to describe the part of a retirement allowance financed by employer contributions. Compare with "annuity".

**Pension benefit obligation (PBO)** - The portion of the Actuarial Present Value of future benefits attributable to service credit that has been earned to date (past service).

**Pension equity plan** - A pension equity plan is a hybrid plan with a formula for paying a lump sum based on pay and service.

**Percent married** - The percent married assumption is used to estimate the cost of death benefits.

**Phased retirement** - Phased retirement is a provision to allow members to work reduced hours while receiving proportionately reduced pensions.

**"Pop-up" option** - A type of joint and survivor option. If the retiree's named beneficiary predeceases him or her, the amount of the retirement benefit increases ("pops up"), to the amount payable for a life-only payment option.

**Portability** - The ability of an employee who changes jobs to transfer his or her accrued benefits from the previous to the present employer's pension system.

**Pre-funding** - To accumulate a reserve fund in advance of paying benefits. This is the opposite of "pay-as-you-go".



**Present value** - The current worth of an amount or series of amounts payable in the future, after discounting each amount at an assumed rate of interest and adjusting for the probability of its payment or receipt.

**Present value of fully credited benefits** - Also known as the credited projected liability, the present value of fully credited benefits is the liability based on credited projected benefits. It is calculated in the same way as a measure of liabilities used for accounting purposes called the Projected Benefit Obligation (PBO). It is calculated using the Projected Unit Credit Cost Method.

**Present value of fully projected benefits (PVFPB)** - Also known as the present value of benefits (PVB), the present value of fully projected benefits is the liability based on fully projected benefits. It includes the actuarial accrued liability and the present value of future normal costs.

**Present value of benefits (PVB)** - The present value of benefits (PVB) is the same as the present value of fully projected benefits (PVFPB).

**Present value of future salaries (PVFS)** - The value of future expected salaries discounted with interest.

**Projected benefits** - Pension benefit amounts which are expected to be paid in the future taking into account such items as the effect of advancement in age as well as past and anticipated future compensation and service credits.

**Projection valuation** - A set of actuarial valuations projected for a period of years into the future based on assumptions that include new entrants.

**Prudent Man Rule** - A requirement imposed by ERISA that plan fiduciaries carry out their duties with the care, skill, prudence and diligence which a prudent man, acting in a like capacity and familiar with such matters, would use under conditions prevailing at the time.

**Public plan** - A retirement system that covers government employees.

**Qualified Domestic Relations Order (QDRO)** - A court order that allocates a portion of a member's current or future retirement benefits to an alternate payee following a divorce.

**Qualified plan** - An employee benefit plan approved by the Internal Revenue Service, meeting requirements set forth in IRS Code Section 401. Contributions to such plans are subject to favorable tax treatment.

**Rate smoothing** - Rate smoothing is a method for deferring large increases or decreases in contribution rates.

**Refund of contributions** - A refund of contributions benefit is a feature of contributory defined benefit plans that allows members to receive a lump sum benefit based on the accumulated member contributions.

**Replacement ratio** - A calculation of the degree to which retirement income supplants a pre-retirement member's "take home" pay, less working expenses. To determine this ratio, several factors must be taken into account: a retiree's pre-retirement earnings; changes in tax liabilities after retirement; changes in Social Security tax liability; the elimination of work-related expenses - including contributions to the retirement system; and savings.

**Restoration** - Restoration allows a rehired member to make a deposit for a prior refund of contributions to restore service credit under the system.

**Retiree** - A retiree is a member in pay status.

**Retire/Rehire** - Retire/rehire is a feature that allows members to retire and return to work while continuing to receive retirement benefits.

**Retiree medical** - Retiree medical benefits are health insurance benefits available to members following retirement.

**Retirement rates** - Tables of retirement rates based on age and service are used to determine retirement system liabilities.

**Roth IRA** - A retirement account which an individual can make after-tax contributions according to annual limits that are specified by the IRS.

**Salary inflation** - Salary inflation is the part of the salary increases that are the result of general wage inflation rather than for merit.

**Service retirement** - Normal retirement dependent upon completion of a specified period of service. In some usages, the term has the same meaning as "normal retirement".

**Status** - The status of a member of a retirement system can be active, terminated vested, retired, disabled, or survivor.

**Stochastic forecast** - A stochastic forecast is a set of projection valuations based on a variety of scenarios to produce of range of results for expected contribution rates and funded ratio. It is often used in asset/liability studies.

**Supplemental cost** - A separate element of actuarial cost which results from future normal costs having a present value less than the present value of the total prospective benefits of the system. Such supplemental cost is generally the result of assuming that actuarial costs accrued before the establishment of the retirement system. A supplemental cost may also arise after inception of the system because of benefit changes, changes in actuarial assumptions, actuarial losses, or failure to fund or otherwise recognize normal cost accruals or interest on supplemental cost.

**Survivor** - A beneficiary in a retirement system entitled to a benefit following the death of a member.

**Terminated vested** - A former member entitled to deferred benefits.

**Terminated non-vested** - A former member with no future benefits other than a return of contributions.

**Thirteenth check** - An annual supplemental retirement allowance arising from earnings on investments of the system in excess of those determined as needed for other purposes.

**Transfer** - A transfer is a member of a retirement system with prior service in another retirement system of the same plan sponsor.

**Turnover** - Also known as withdrawal, turnover refers to active members who leave prior to retirement for reasons other than death or disability. Tables of turnover rates are used in calculating liabilities.

**Unfunded actuarial accrued liability (UAAL)** - The excess, if any, of the actuarial accrued liability over the actuarial value of assets. In other words, the present value of benefits earned to date that are not covered by plan assets.

**Unfunded liability (Unfunded PBO)** - The excess, if any, of the Pension Benefit Obligation over the Valuation Assets. This is the portion of all benefits earned to date that are not covered by plan assets.

**Uniform COLA** - A cost of living adjustment (COLA) based on a flat amount times years of service.

**Valuation assets** - Also known as the actuarial value of assets, the valuation assets are the assets used in the actuarial valuation to determine contribution rates.

**Variable annuity** - A benefit whose payments vary from year to year depending upon the value of a portfolio of securities (usually common stocks).

**Vesting** - The right of an employee to the benefits he or she has accrued, or some portion of them, even if employment under the plan is terminated. An employee who has met the vesting requirements of a pension plan is said to have a vested right. Voluntary and mandatory employee contributions are always fully vested.

**Withdrawal** - The termination of employment prior to becoming eligible for any benefits. The term sometimes refers to subsequent termination of membership in a system by withdrawal of the employee's accumulated contributions from the system.

## Acronyms

AARP -	American Association of Retired Persons
AFC -	Average Final Compensation
AFS -	Average Final Salary
ATULC -	Amalgamated Transit Union Legislative Council
AWC -	Association of Washington Cities
AWSP -	Association of Washington School Principals
CARE -	Coalition of Active and Retired Employees
COLA -	Cost of Living Adjustment
CRHEE -	Coalition of Retired Higher Education Employers
CTF -	Commingled Trust Fund
DB -	Defined Benefit
DC -	Defined Contribution
DRS -	Department of Retirement Systems
ERBB -	Employee Retirement Benefits Board
ERFC -	Economic Revenue and Forecast Council
ERRF -	Early Retirement Reduction Factor
FAS -	Final Average Salary
F&W -	Department of Fish and Wildlife
IFPTE -	International Federation of Professional and Technical Engineers
IUOE -	International Union of Operating Engineers - Local 609
JLARC -	Joint Legislative Audit and Review Committee
LEAP -	Legislative Evaluation and Accountability Program Committee
LEOFF -	Law Enforcement Officers and Fire Fighters Retirement System
MAP -	Multiple Asset Portfolio
OFM -	Office of Financial Management
OSA -	Office of the State Actuary
P&R -	State Parks and Recreation Commission
PEPC -	Public Employee Pension Coalition
PERS -	Public Employees' Retirement System
PFC -	Pension Funding Council
PSE -	Public School Employees
PSERS -	Public Safety Employees' Retirement System
PVS -	Present Value of Projected Salaries
RCW -	Revised Code of Washington
REARG -	Retired Employees Advocacy & Research Group
RPEC -	Retired Public Employee's Council
SBCTC -	State Board for Community and Technical Colleges

SCPP -	Select Committee on Pension Policy
SEIU -	Service Employees International Union
SERS -	School Employees' Retirement System
SIB -	State Investment Board
TAP -	Total Allocation Portfolio
TRS -	Teachers' Retirement System
UAAL -	Unfunded Actuarial Accrued Liability
USERRA -	Uniformed Service Employment and Re-employment Rights Act
UW -	University of Washington
UWRA -	University of Washington Retired Association
WAC -	Washington Administrative Code
WACOPS -	Washington Council of Police and Sheriff's
WASA -	Washington Association School Administrators
WASPC -	Washington Association of Sheriff and Police Chiefs
WCPS -	Washington Council of Police & Sheriffs
WEA-R -	Washington Education Association - Retired
WEA -	Washington Education Association
WFCA -	Washington Fire Commissioners Association
WFSE -	Washington Federation of State Employees'
WPEA -	Washington Public Employees Association
WSIPC -	Washington School Information Processing Cooperative
WSCFF -	Washington State Council of Fire Fighters'
WSCPO -	Washington State Council of Police Officers'
WSFCA -	Washington State Fire Chiefs Association
WSLEA -	Washington State Law Enforcement Association
WSP -	Washington State Patrol
WSPRS -	Washington State Patrol Retirement System
WSPTA -	Washington State Patrol Troopers Association
WSRLEA -	Washington State Retired Law Enforcement Association
WSRTA -	Washington State Retired Teachers' Association
WSU -	Washington State University
YOS -	Years of service

## Retirement Links

The Office of the State Actuary is just one of several state agencies that provide the services necessary to administer Washington's public retirement systems. Other agencies and their responsibilities are identified below.

### Department of Retirement Systems

(<http://www.drs.wa.gov/>)

Maintains membership records, collects contributions from members and employers, pays benefits, communicates benefit information and advises the Governor on pension benefits.

### Employee Retirement Benefits Board

(<http://www.drs.wa.gov/agency/erbb/index.htm>)

Determines the administrative charges applied to Plan 3 defined contribution investments and recommends pay-out options for benefits paid from Plan 3 defined contribution savings.

### Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board

(<http://www.leoff.wa.gov/>)

Policy-making board with the responsibility to study pension issues, set contribution rates, and recommend pension policy to the Legislature solely in the interest of LEOFF Plan 2 members and beneficiaries.

### Public Employees Benefit Board

(<http://www.pebb.hca.wa.gov/>)

The Public Employees Benefits Board, created within the Washington State Health Care Authority, establishes eligibility requirements and approves employee premium contributions and the benefits of all participating health care organizations.

### Select Committee on Pension Policy

(<http://leg.wa.gov/scpp/>)

Studies issues related to the provision of retirement benefits and the funding of the retirement systems. Also develops underlying retirement policies and recommends legislation to the Legislature.

**State Investment Board**

(<http://www.sib.wa.gov/index.htm>)

Invests the retirement funds and maintains comprehensive accounting of gains and losses.

**The State Board for Volunteer Fire Fighters and Reserve Officers**

(<http://www.bvff.wa.gov/Default.htm>)

Administers the Volunteer Firefighter's and Reserve Officers' Relief and Pension Fund.



## Pension-related Websites

Actuary.ca -

<http://www.actuary.ca/>

Actuary.com -

<http://www.actuary.com/>

American Academy of Actuaries -

<http://www.actuary.org/>

Actuarial Board for Counseling and Discipline -

<http://www.abcdboard.org/>

American Society of Pension Actuaries -

<http://www.aspa.org/>

Benefits Canada -

<http://www.benefitscanada.com/>

Benefits Link -

<http://www.benefitslink.com/>

Bureau of National Affairs, Inc. -

<http://www.bna.com/>

CalPERS -

<http://www.calpers.ca.gov/>

Cash Pensions -

<http://www.cashpensions.com/>

Contingencies -

<http://www.contingencies.org/>

Conference of Consulting Actuaries -

<http://www.ccactuaries.org/>

Department of Labor, U.S.

<http://www.dol.gov/>

Employee Benefit Research Institute (EBRI) -

<http://www.ebri.org/>

International Actuarial Association -

<http://www.actuaries.org/>

International Association of Fire Fighters -

<http://www.iaff.org/>

International Foundation of Employee Benefits Plans -

<http://www.ifebp.org/>

Internal Revenue Service -  
<http://www.irs.gov/>

Joint Board for the Enrollment of Actuaries -  
<http://www.irs.gov/taxpros/actuaries/>

National Association of State Retirement Administrators -  
<http://www.nasra.org/>

National Conference of State Legislatures -  
<http://www.ncsl.org/>

National Council on Teacher Retirement (NCTR) -  
<http://www.nctr.org/>

National Education Association -  
<http://www.nea.org/>

National Conference on Public Employee Retirement Systems -  
<http://www.ncpers.org/>

National Institute of Pension Administrators -  
<http://www.nipa.org/>

Pension Surveys -  
<http://www.perspective.info/pensionsurveys>

Pension and Investments -  
<http://www.pionline.com/>

Pension Benefit Guaranty Corporation -  
<http://www.pbgc.gov/>

Publication 939, General Rule for Pensions and Annuities -  
<http://www.irs.ustreas.gov/pub/irs-pdf/p939.pdf>

Public Retirement Information Systems Management -  
<http://www.prism-assoc.org/>

Public Retirement Institute -  
<http://www.pripension.org/>

Social Security Online -  
<http://www.ssa.gov/>

Society of Actuaries -  
<http://www.soa.org/>

State Retirement Systems -  
<http://calhounlawgroup.com/>

The Actuarial Foundation -  
<http://www.actuarialfoundation.org/>

The Pension Research Council -  
<http://rider.wharton.upenn.edu/~prc/prc.html>

TIAA-CREF -  
<http://www.tiaa-cref.org/>

Washington Education Association -

<http://www.wa.nea.org/>

Washington Deferred Compensation Program -

<https://dcp.csplans.com/portal/PortalLogin.jsp>